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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To prohibit the material expansion of semiconductor manufacturing in the People's Republic of China with Federal financial assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BUDD introduced the following bill; which was referred to the Committee
on _____

A BILL

To prohibit the material expansion of semiconductor manufacturing in the People's Republic of China with Federal financial assistance, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Chips for China
5 Act”.

6 **SEC. 2. PROHIBITION.**

7 Section 9902(a)(6)(C) of the William M. (Mac)
8 Thornberry National Defense Authorization Act for Fiscal

1 Year 2021 (15 U.S.C. 4652(a)(6)(C)) is amended to read
2 as follows:

3 “(C) REQUIRED AGREEMENT.—

4 “(i) IN GENERAL.—On or before the
5 date on which the Secretary awards Fed-
6 eral financial assistance to a covered entity
7 under this section, the covered entity shall
8 enter into an agreement with the Secretary
9 specifying that, during the 10-year period
10 beginning on the date of the award, the
11 covered entity shall not engage in any sig-
12 nificant transaction, as defined in the
13 agreement, involving either—

14 “(I) the material expansion of
15 semiconductor manufacturing capacity
16 in the People’s Republic of China or
17 any other foreign country of concern;
18 or

19 “(II) the transfer, export, or sale
20 of any semiconductor manufacturing
21 capacity able to produce semiconduc-
22 tors with sub-14 nanometer processes
23 to entities located in or affiliated with
24 the People’s Republic of China.

1 “(ii) EXCEPTIONS.—An agreement
2 entered into pursuant to clause (i) shall
3 not apply to any covered entity which has
4 obtained an export license from the Sec-
5 retary of Commerce.”.